



## Memorandum

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Date: September 20, 2001  
To: Scott Miller  
Ed Rabin  
From: Ty Helmer  
Subject: Labor and General Expense Reductions

cc: Linda Olson

Encl: 12 pages

Attached is a department-by-department labor cost reduction plan for Corporate Sales.

We have ranked each position either A, B or C with the suggestion to make the "C" cuts immediately upon discussion and approval.

The "B" cuts are more aggressive and will, without question, impact the services we provide to the field. We do not suggest these cuts be taken at this time, but discussed.

The "A" positions we feel are critical to the core of our operations.

The "C" cuts will represent an overall annual labor savings of \$1.3 million, plus PTEB.

We have also included a summary of the chain and billback expenses that have already been reduced or will be eliminated for this year's budget. Those saved expenses total over \$600,000...most of which are billbacks representing direct savings to the field.

It goes without saying that these cuts will be difficult for an already lean organization that has trimmed substantially during the "good times," but they must be taken.

Please let me know if you have any questions.

TH/je

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